

Hearing Date and Time: February 24, 2009 at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: February 17, 2009 at 4:00 p.m. (prevailing Eastern Time)

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Salaried Employee of Delphi Corporation
Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)
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LETTER TO CONTEST DELPHI'S MOTION FOR ORDER UNDER 11 U.S.C. §§ 105,
363(b)(1), AND 1108 CONFIRMING DEBTORS' AUTHORITY TO TERMINATE
EMPLOYER-PAID POSTRETIREMENT HEALTH CARE BENEFITS AND EMPLOYER-
PAID POST-RETIREMENT LIFE INSURANCE BENEFITS FOR CERTAIN (A) SALARIED
EMPLOYEES AND (B) RETIREES AND THEIR SURVIVING SPOUSES
("SALARIED OPEB TERMINATION MOTION")

PRELIMINARY STATEMENT

I am an active Delphi employee and eligible for retirement. Delphi Corp. filed a
motion with the U.S. Bankruptcy Court to discontinue healthcare and life insurance coverage
for retirees, as the court knows. Delphi would also eliminate the Retiree Health
Reimbursement Account (RHRA) which is the account established when Delphi terminated
health insurance coverage for retirees once they reach 65 years of age.

I am contesting this motion for the following reasons:

- 1) The GM/Delphi salaried retirees losing their health care and life insurance, have in most cases given at least 30 years of dedicated service working towards the promise that health care was one of the rewards of this dedication. Delphi has clearly breached this promise to those who have given their lives to it and now are desperately dependent on it. Due to age, these employees have little opportunity to become gainfully re-employed.
- 2) The benefit sacrifice being demanded by Delphi from the salaried work force produces an inequitable benefit reduction by forcing greater burden onto the salaried retirees as compared to the UAW membership or the highly compensated executive ranks who can well afford COBRA.
- 3) The salary employees have been dedicated to GM/Delphi all of these years and have never created a work stoppage or failed to delivery quality work for their company. The UAW has done this on several occasions and they're protected from having their retirement benefits taken from them. Cancelling retirement benefits is not the just reward that the good, dedicated salaried employees who made up the creative core of their company should be handed as a reward for that unswerving dedication!
- 4) The work and dedication of the salary employees was the true economic engine of these GM/Delphi parts businesses. It is the salaried work force whose intellectual endeavors created the former successes of these operations and who are now being punished for trusting their employer to come through with the promised retirement benefits. It is the fruits of the salaried people's creativeness that generated the income that now allows the UAW to claim their retirement benefits, and for the executives to receive their bonuses.

- 5) Your honor, years of exposure to toxic materials and hazardous environments in the various operations of General Motors, Delco, and Delphi have left many of the salaried employees as “walking wounded” with chronic illnesses requiring constant medical care. Some materials of exposure include asbestos, PCB’s, beryllium, silicon dust, solder dust, lead dust, metal alloy/agent dusts (e.g. cadmium, chromium, vanadium, cobalt, tin, lead, copper, zinc, sulfur, phosphorus, etc.) , trichloroethylene, pesticides, welding smoke, soldering fumes, cutting oil mists, stripping solvent fumes, polycyclic aromatic hydrocarbons (PAH’s), silane gas, hydrofluoric acid, sulfuric acid, hydrochloric acid et al. Many salaried employees have been exposed on a daily basis to these health threatening environments while conducting the required course of business. Some of the maladies induced by these conditions include cancers, neural muscular disease, lung diseases, emphysema, sarcoidosis, chronic beryllium disease, kidney failure, liver disorders, et al. Your honor it is unconscionable for Delphi to force salaried people into retirement without supplying them medical remedy for the work place induced illnesses incurred during the course of their GM/Delphi tenure.
- 6) Delphi has already limited their health care obligation to the salaried employees by forcing them onto Medicare and Medicaid at age 65. Therefore, the obligation Delphi has to provide health care coverage for retirees is time limited. This change was forced onto the salaried people who were original given health care for life upon obtaining 85 points (i.e years of service plus age). This sacrifice by itself should provide Delphi with enough benefit sacrifice from the retiree ranks.
- 7) Delphi declared there would be equitable reductions in the numbers of executives, but, if audited, on a per capita basis, the court will likely find that the percentage of lower level people (i.e. 7th level and lower) which have been forced into retirement will be far greater percentage wise than

managers and uncoded. Delphi knew that the long term plan was to move/lure as many employees as possible into retirement and then drop their retirement benefits.

- 8) The state of the economy, losses in retirement plans, inflation, coupled with the loss of health care benefits will have a crippling effect on the lives of every retiree of Delphi Corporation. We understand and support the company for cost cutting activities, but not at the sacrifice of the retirees, who are now on a fixed-income. In addition, Delphi and its DIP creditors need to recognize the retirees are in a greater need for health coverage due to the many illnesses associated with aging.
- 9) The court should recognize, that in all likelihood these proposed severe actions are coming from the DIP creditors who are not interested in the long term impact this action will produce on the long term viability of the company, but only on short term financial gain. This bankruptcy and its attendant ramifications should be used to yield a company with an intact and capable workforce, and not to produce discord within its ranks. The salaried people have the health and long term well being of the company paramount in their minds. The same cannot be said about the DIP creditors.

SUMMARY

The unfairness being thrust upon the loyal salaried Delphi employees needs to be halted by the court. Taking away benefits from the salaried ranks should no longer be the focus of Delphi's struggle to survive. By continuing to dispirit the salaried people, Delphi runs the risk of totally alienating and losing them. Delphi's survival depends on the motivation and talent of its salaried

workers. Continuing to mistreat them will lead to Delphi's certain demise. Like all workers, Delphi salaried employees expect some loyalty from their company in return for sacrifice.

I appreciate the court taking the time to consider my argument and respectfully ask that you not approve Delphi's motion to terminate health coverage or life insurance for salaried employees that are dependent on that coverage.

Dated: Kokomo, Indiana
February 12, 2009

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